

Update on India Project and Request to Extend Suspension

Monday 3 June 2019: Environmental Clean Technologies Limited (ASX: ECT) (ECT or Company) provides the following update on its India project and requests a continuation to the suspension of trading in its securities for 4 days through to 10 am on Friday June 7.

Key points:

- Voluntary Suspension:
 - India project tabled for approval at NMDC Limited (NMDC) board meeting held on May 28
 - ECT to continue suspension whilst awaiting the outcome of the recent NMDC board meeting
 - If NMDC provide the results of their board meeting in relation to the India project, the suspension could be lifted sooner
 - MOU extension proposed
- ECT India Activities – Indian national, Senior Adviser and prominent coal industry figure Sri P. Selvakumar appointed as Chairman Managing Director of ECT India

Background to Voluntary Suspension

The Company requested a voluntary suspension in the trading of its securities from the ASX on 15 March 2019 until 1 April 2019 pending feedback from its India project partner, NMDC, on the status of its process to consider and approve the signing of the Research Collaboration Agreement (RCA).

On 29 March 2019 an extension to the voluntary suspension was granted until 22 April 2019 to address 7 key objectives in achieving certainty around the process and timeframes.

An update on the progress of the outlined objectives was provided on 18 April, with further extensions granted by the ASX until 6 May and then 31 May to allow the Company to pursue confirmation of timing.

NMDC held its board meeting on 28 May 2019 at which time, the proposal to proceed with the India project was tabled for approval.

In previous announcements the Company outlined 7 objectives it was looking to complete. In the last week, objectives 6 and 7 were met, with NMDC advising its internal processes were met and that the India project proposal was on the agenda for consideration at their meeting.

As at the time of this release, and whilst the project was an agenda item at the board meeting, the Company is yet to be advised of the outcome of this agenda item and as such is not able to update its shareholders.

Further to the above, the most recent extension to the memorandum of understanding (MOU) expired on 31 May 2019 and as such a further extension, signed by ECT, has been provided to NMDC and NLC India Limited for their approval. This extension is for a further three months.

In proposing this extension ECT has taken the view that, with all other approval processes complete and remaining on-foot, and with resource allocation required to advance other parallel key projects in Australia, an MOU extension of a longer timeframe will provide the greatest possible opportunity for NMDC to complete its processes and for demonstrable progress to be made towards signing of the RCA and financial close.

While the Company will continue to support NMDC's decision making processes to reach anticipated approval to proceed with the India project, progress is proving unpredictable. As such and given the Company's domestic activities are advancing to the next stage, allocation of greater resources to these key domestic projects by our joint Indian and Australian teams is a prudent course of action. An update on these specific activities will be provided later this week.

The Company will continue to provide regular updates to the market as information becomes available.

India Senior Appointment

ECT is pleased to announce that it has secured the services of Senior Adviser, Sri P. Selvakumar as Chairman Managing Director (CMD) of ECT India, and lead consultant to the ECT team in India. This appointment will enable the Company's personnel and resources to be predominantly utilised advancing Australian activities and for direct coordination of the India team in supporting these domestic projects as outlined below.

Specifically, the change in the CMD role at ECT India will allow incumbent CMD, Ashley Moore, to retain his directorship in ECT India, whilst also ensuring he can increase his focus on core engineering development and implementation for the Latrobe Valley project.

The revised CMD role under Sri P. Selvakumar will provide executive leadership in liaising with Indian government and industry, with a focus on coal and steel industry partnerships, business development and strategic planning across the full range of ECT technologies; Coldry, Matmor and COHgen.

Having commenced on 1 June, the role is based in Chennai with the existing ECT team.

Speaking on the appointment, Sri P. Selvakumar commented "I am very pleased to be joining the ECT team, and the Matmor project in particular, as we move through this important stage ahead of the project starting in Neyveli. I am looking forward to joining the ECT senior leadership team in India and working closely with our Indian partners and stakeholders to ensure not only the success of this project, but also setting the broader foundation for expanded ECT business development in India."

"I admire and respect the patience, persistence and commitment of the ECT staff, board and shareholders, particularly across the last 6 months. Whilst it can be difficult for those viewing the progress of this project from afar to see reason in the extended timeframes involved, I am confident that this effort will be rewarded in seeing the project come to life."

"With more than 30 years of experience with government and industry organisations in the mining and power sector, I have a good understanding of the enormous potential that ECT and its partners have with the development of Coldry, Matmor and other technologies in India."

For further information, contact:

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About ECT

ECT is in the business of commercialising leading-edge energy and resource technologies, which are capable of delivering financial and environmental benefits.

We are focused on advancing a portfolio of technologies, which have significant market potential globally.

ECT's business plan is to pragmatically commercialise these technologies and secure sustainable, profitable income streams through licensing and other commercial mechanisms.

About Coldry

When applied to lignite and some sub-bituminous coals, the Coldry beneficiation process produces a black coal equivalent (BCE) in the form of pellets. Coldry pellets have equal or superior energy value to many black coals and produce lower CO₂ emissions than raw lignite.

About Matmor

The Matmor process has the potential to revolutionise primary iron making.

Matmor is a simple, low cost, low emission production technology, utilising the patented Matmor retort, which enables the use of cheaper feedstocks to produce primary iron.

About the India R&D Project

The India project is aimed at advancing the Company’s Coldry and Matmor technologies to demonstration and pilot scale, respectively, on the path to commercial deployment.

ECT has partnered with NLC India Limited and NMDC Limited to jointly fund and execute the project.

NLC India Limited is India’s national lignite authority, largest lignite miner and largest lignite-based electricity generator.

NMDC Limited is India’s national iron ore authority.

Areas covered in this announcement:

ECT (ASX:ECT)	ECT Finance	ECT India	India Project	Aust. Projects	R&D	HVTF	Business Develop.	Sales
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